2/27/81 R4105-4

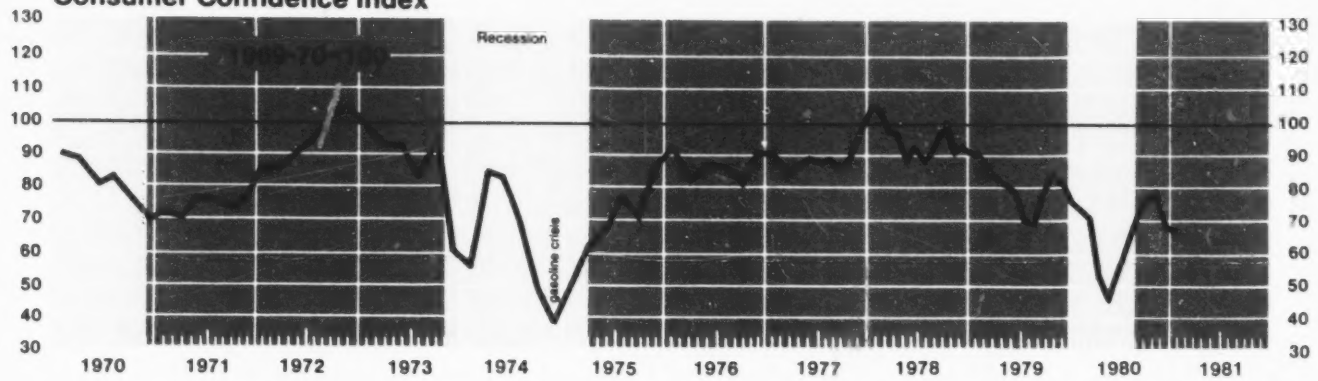
Consumer Attitudes and Buying Plans

A Monthly Report From The Conference Board

Based on a Survey Conducted by National Family Opinion, Inc.

February, 1981

Consumer Confidence Index



CONSUMER CONFIDENCE AND PLANS TO SPEND OFF SLIGHTLY

In January, consumer optimism edged off only marginally following a precipitous drop in the prior month. The latest reading of the Board's Confidence Index (1969-70 = 100) is 67.3, a loss of less than a point. This measure declined almost 12 points in December. The buying plans index was also somewhat weaker in January.

In assessing the current situation a slightly larger proportion of respondents than in the prior probe believe business conditions are "bad." On the other hand, there was some decline in the proportion of those who complained that jobs were "hard to get." While changes were quite small, it should be noted that negative views continue to outnumber the positive by a wide margin on both these issues.

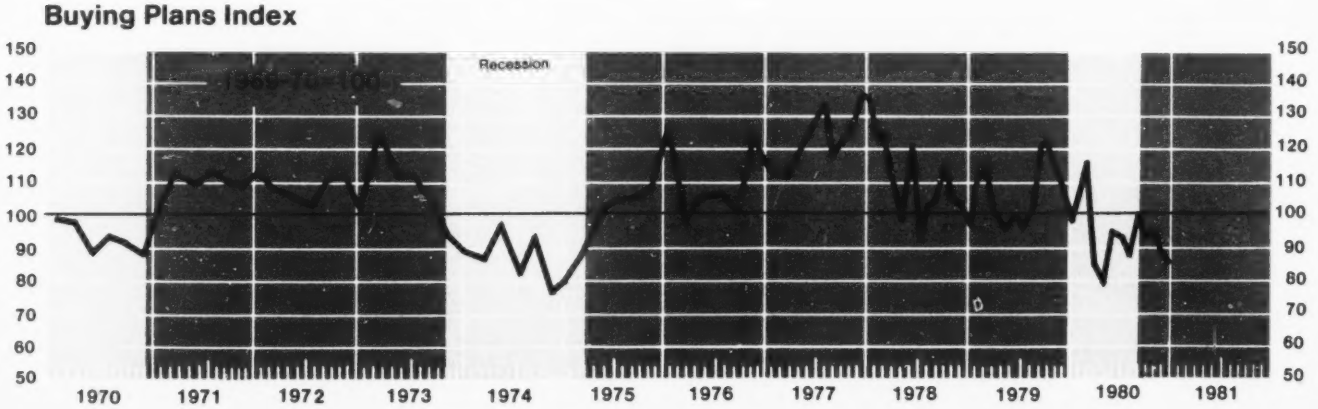
In looking ahead to the next six months, there was also some slight slippage in the level of expectations. There was a slight increase in the number of those that fear business conditions will worsen, and also a rise in those that anticipate that jobs will become increasingly sparse. But on balance consumer sentiment remained fairly steady last month. While those changes that were registered tended to be in a negative direction, in every instance, they were too slight to be statistically significant.

The decline in the buying plans index resulted almost entirely from a decrease in intentions to purchase a home. Only 2.1% of respondents indicated that they plan to make such a purchase in the months ahead, off from 2.7% previously. The recent rise in mortgage rates no doubt had much to do with this.

Intentions to buy a car—new or used—were expressed by 6.6% of all those contacted, which is about the same proportion as in the previous month. Similarly, plans to acquire a major appliance remained substantially the same. In January, 25.2% of all those contacted said that they would make such a purchase during the first half of the year.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by National Family Opinion, Inc.

Percentage of all households

All series seasonally adjusted	1980 Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	1981 Jan (p)
Composite Series: Index Numbers, 1969-1970 = 100													
Consumer Confidence Index	76.0	74.1	71.2	53.6	45.1	54.1	62.9	65.1	65.2	66.7	70.1	68.6	67.4
Present Situation	86.9	91.0	76.3	61.9	40.3	39.2	42.0	40.6	49.6	51.0	49.5	46.1	45.6
Expectations	68.8	64.5	67.8	48.1	48.3	64.0	76.4	85.4	80.1	86.1	90.1	82.7	81.8
Buying Plans Index	97.1	102.4	110.7	94.5	78.9	104.1	98.0	90.6	99.7	91.6	94.5	88.0	88.1
Appraisal of Present Situation: Percent													
Business Conditions													
Good	24.8	22.1	21.6	17.1	12.3	13.8	14.3	13.8	17.2	15.8	16.0	15.6	14.7
Bad	15.5	18.2	21.2	25.8	35.8	36.1	34.5	35.2	30.3	30.7	30.1	31.6	34.1
Normal	59.7	59.7	57.2	57.1	51.9	50.1	51.2	51.0	52.5	53.5	53.9	52.8	51.2
Employment													
Jobs plentiful	19.0	19.3	19.7	15.6	10.7	9.9	10.7	10.3	11.5	11.5	11.7	11.0	12.0
Jobs not so plentiful	53.9	52.6	49.9	52.5	50.7	47.4	47.7	47.8	49.1	49.0	50.9	49.2	48.9
Jobs hard to get	27.1	28.1	30.4	31.9	38.6	42.7	41.6	41.9	39.4	39.5	37.4	39.8	39.1
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	13.4	13.3	13.2	9.5	10.6	16.3	19.2	21.6	24.3	22.4	24.9	19.7	19.9
Worse	23.7	22.4	24.3	39.2	36.2	29.7	20.9	19.0	14.7	13.6	11.3	16.9	18.0
Same	62.9	64.3	62.5	51.3	53.2	54.0	59.9	59.4	61.0	64.0	63.8	63.4	62.1
Employment													
More jobs	12.1	11.9	11.4	7.1	7.8	13.6	16.1	18.3	19.5	19.7	20.3	15.6	15.4
Fewer jobs	32.1	30.5	31.0	44.3	44.3	37.0	27.1	25.5	21.7	19.5	18.1	24.8	25.6
Same	55.8	57.6	57.6	48.6	47.9	49.4	56.8	56.2	58.8	60.8	61.6	59.6	59.0
Income													
Increase	35.8	33.3	34.1	29.9	24.9	30.2	28.3	33.0	31.8	31.9	31.9	30.5	30.8
Decrease	7.6	7.6	7.7	11.4	12.1	11.7	10.5	8.0	9.4	6.8	7.6	8.7	8.3
Same	56.6	59.1	58.2	58.7	63.0	58.1	61.2	59.0	58.8	61.3	60.5	60.8	60.9
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	7.6	8.2	9.4	6.1	6.1	6.9	7.0	6.2	7.4	6.7	7.2	6.7	6.6
New	4.1	4.9	5.1	3.4	3.1	3.9	3.3	3.0	4.2	3.7	3.8	3.3	3.4
Used	2.9	2.8	3.9	2.3	2.7	2.7	3.4	2.6	2.8	2.7	3.3	3.4	3.0
Uncertain	0.6	0.5	0.4	0.4	0.3	0.3	0.3	0.6	0.4	0.3	0.1	0	0.2
Home													
Yes	2.5	3.3	3.0	2.3	2.1	3.1	2.8	2.6	2.9	2.7	2.6	2.7	2.1
New	0.5	0.9	0.9	0.5	0.4	1.1	0.7	0.6	0.9	0.7	0.8	0.6	0.7
Lived in	1.4	1.5	1.5	1.2	1.2	1.2	1.5	1.1	1.2	1.3	1.1	1.4	1.1
Uncertain	0.6	0.9	0.6	0.6	0.5	0.8	0.6	0.9	0.8	0.7	0.7	0.7	0.3
Major appliances													
Total plans	28.2	28.9	31.7	26.5	21.8	24.8	26.1	26.0	28.9	25.8	27.5	25.5	25.2
Refrigerator	4.2	3.9	4.5	3.1	2.8	3.5	3.6	3.7	4.5	3.2	3.7	3.1	3.2
Washing machine	3.6	3.7	4.3	3.7	2.7	3.7	3.9	3.2	4.1	3.0	3.7	3.6	2.9
Black and white TV	1.3	1.6	1.5	1.5	1.0	1.3	1.0	1.6	1.5	1.3	1.4	1.3	1.1
Color TV	6.5	6.4	6.9	6.4	5.1	5.6	6.3	6.4	6.7	5.9	6.0	5.3	5.7
Vacuum cleaner	4.7	5.4	6.1	5.0	4.1	4.1	4.6	4.3	5.0	5.0	4.8	4.3	5.0
Range	3.2	2.9	3.2	2.2	2.2	2.3	2.3	2.7	3.0	2.4	2.5	3.1	3.1
Clothes dryer	3.0	3.2	3.4	3.1	2.6	2.8	2.8	2.7	2.8	3.0	3.1	2.9	2.6
Air conditioner	1.7	1.8	1.8	1.5	1.3	1.5	1.6	1.4	1.3	2.0	2.3	1.9	1.6
Carpet	10.8	10.0	12.0	9.0	9.2	9.7	8.3	8.9	10.3	10.9	9.6	9.5	8.0
Vacation Intended Within Six Months: Percent													
Vacation Intended		43.7		43.4		44.3		43.3		44.7		43.9	
Destination													
Home state		10.7		10.3		10.7		10.9		11.0		11.3	
Other states		29.8		30.0		29.9		28.9		31.0		29.8	
Foreign country		4.3		3.9		4.3		4.6		4.1		4.2	
Means of Travel													
Automobile		30.3		30.2		31.9		31.3		32.9		30.9	
Airplane		13.3		13.5		12.4		11.5		11.8		12.3	
Other		2.8		2.7		3.4		2.7		2.8		2.6	

Note: All 1980 data have been adjusted to reflect that year's revised seasonal factors. (p)—preliminary (r)—revised

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein at (212) 759-0900.